

NAPA COUNTY ECONOMIC FORECAST

Napa County is home to the Napa Valley, a popular tourist destination known for wine grapes and premium wine production. Napa County has a population of 139,000 people and a total of 72,000 wage and salary jobs. The per capita income in Napa County is \$58,964, and the average salary per worker is \$59,407.

Wine grapes account for 99 percent of all agricultural output in Napa County. Red grapes are dominant in the region, with a total value that is 5 times than that of white grapes. The viticulture industry also attracts a large number of tourists to the county each year, generating a substantial amount of economic activity.

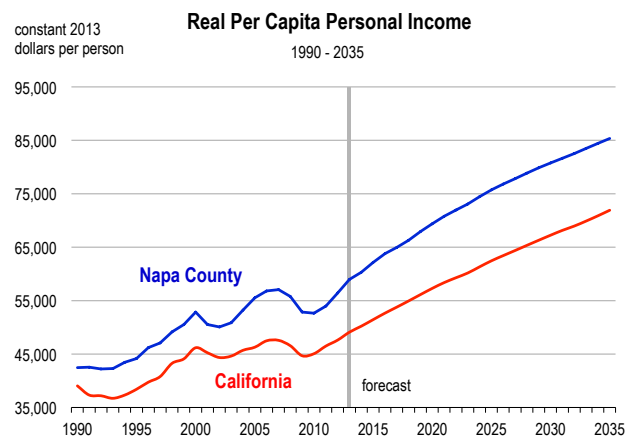
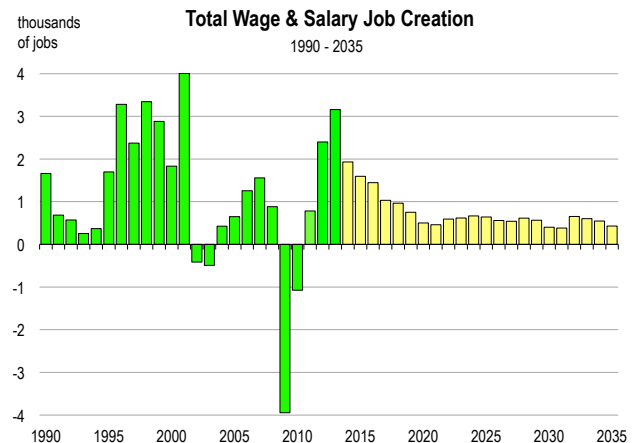
In 2013, employment in Northern California increased by 3.7 percent, whereas employment in the greater Bay Area grew by 4.1 percent. In Napa County, a total of 3,200 jobs were created, representing a growth rate of 4.6 percent. Non-farm employment increased by 4.7 percent while farm employment increased by 4.2 percent. The unemployment rate improved substantially, falling from 7.8 percent in 2012 to 6.3 percent in 2013.

During 2013, the largest employment increases were observed in professional and business services (+530 jobs), construction (+510 jobs), education and healthcare (+490 jobs), manufacturing (+480 jobs), and leisure and hospitality (+460 jobs). No industries were characterized by significant declines.

Between 2008 and 2013, the population of Napa County grew at an annual average rate of 0.6 percent. Net migration accounted half of this growth, as the county gained an average of 430 net migrants each year.

FORECAST HIGHLIGHTS

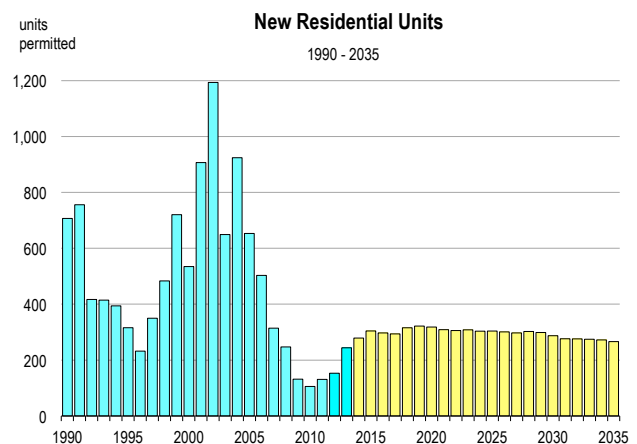
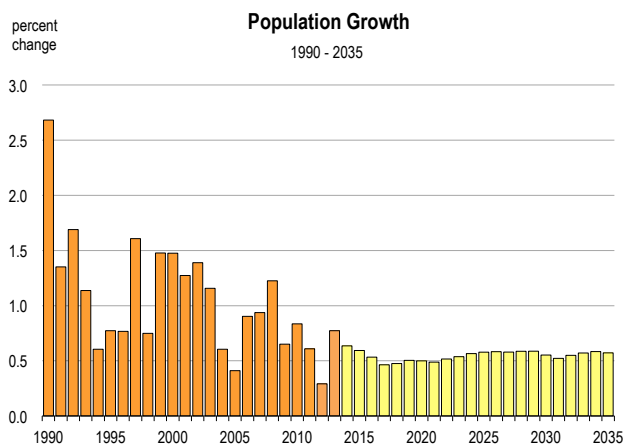
- Job growth of 2.7 percent is forecasted for 2014. Between 2014 and 2019, the annual growth rate for total wage and salary jobs will average 1.5 percent.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Napa County, inflation-adjusted salaries are forecasted to rise by 1.2 percent per year from 2014 to 2019.
- Between 2014 and 2019, job creation will be concentrated in leisure services (+1,400 jobs), professional services (+1,200 jobs), manufacturing (+800 jobs), education and healthcare (+600 jobs), and wholesale and retail trade (+600 jobs). Together, these industries will account for 77 percent of net job creation in the county.
- Population growth is expected to average 0.5 percent per year from 2014 to 2019.
- During the 2014-2019 period, an average of 400 net migrants will enter the county each year. This will account for 55 percent of total population growth.
- Real per capita income will rise by 2.3 percent in 2014. From 2014 to 2019, real per capita income is forecasted to increase by 2.4 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.9 percent per year between 2014 and 2019.
- Industrial production is expected to rise by 6.9 percent in 2014. From 2014 to 2019, industrial production will grow at an average rate of 3.9 percent per year.
- Farm production is forecasted to increase by 1.1 percent per year between 2014 and 2019. Wine grapes will continue to account for the vast majority of all output.



Napa County Economic Forecast

2006-2013 History, 2014-2040 Forecast

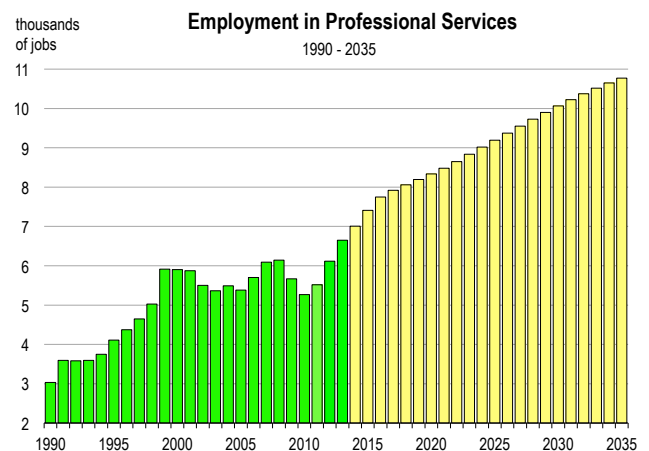
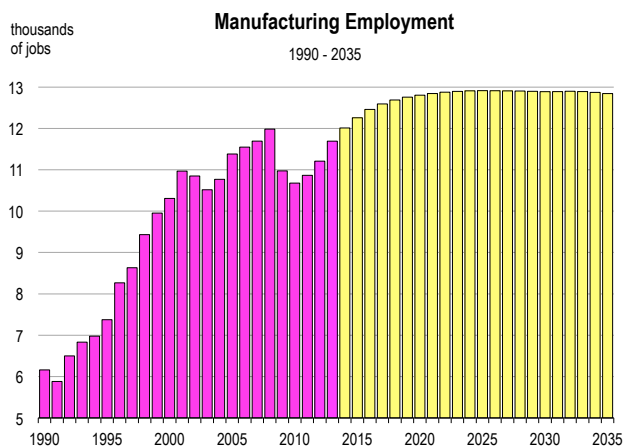
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	131,920	630	138	48.4	503	\$2.4	\$6.4	\$56,806	3.2	560.0	2.2	3.9
2007	133,155	701	138	48.8	314	\$2.6	\$6.7	\$57,042	3.4	546.2	2.3	4.0
2008	134,786	1,170	139	48.9	247	\$2.5	\$6.8	\$55,786	3.0	450.3	2.7	5.1
2009	135,664	321	138	48.9	132	\$2.2	\$6.6	\$52,861	0.8	548.1	2.4	8.6
2010	136,798	648	138	48.9	106	\$2.3	\$6.7	\$52,646	1.3	497.0	2.3	9.7
2011	137,631	474	137	49.0	131	\$2.5	\$7.1	\$53,977	2.7	451.6	2.2	9.1
2012	138,032	-25	137	49.1	153	\$2.7	\$7.6	\$56,420	2.7	679.9	2.5	7.8
2013	139,099	713	141	49.2	244	\$2.9	\$8.2	\$58,964	2.2	685.3	2.7	6.3
2014	139,983	570	143	49.4	279	\$3.1	\$8.7	\$60,303	2.7	697.5	2.8	5.6
2015	140,814	521	145	49.7	304	\$3.3	\$9.3	\$62,155	3.2	694.5	3.0	4.8
2016	141,565	438	147	50.0	297	\$3.5	\$9.9	\$63,789	3.1	706.3	3.1	4.1
2017	142,222	332	149	50.3	294	\$3.7	\$10.3	\$64,961	2.3	715.1	3.2	3.9
2018	142,898	341	150	50.6	316	\$3.9	\$10.8	\$66,300	2.2	724.0	3.3	3.7
2019	143,618	370	152	50.9	322	\$4.1	\$11.4	\$67,897	2.3	735.8	3.4	3.6
2020	144,335	351	153	51.2	318	\$4.3	\$12.0	\$69,388	2.3	729.9	3.6	3.6
2021	145,040	323	154	51.5	309	\$4.5	\$12.6	\$70,783	2.4	721.0	3.7	3.7
2022	145,789	352	155	51.9	306	\$4.7	\$13.2	\$71,944	2.5	735.8	3.8	3.6
2023	146,572	371	156	52.2	308	\$4.9	\$13.8	\$73,061	2.4	747.5	3.9	3.6
2024	147,401	405	157	52.5	304	\$5.1	\$14.4	\$74,431	2.4	762.3	4.1	3.6
2025	148,254	422	158	52.8	304	\$5.3	\$15.1	\$75,724	2.4	774.1	4.2	3.6
2026	149,118	424	159	53.1	301	\$5.5	\$15.8	\$76,803	2.4	780.0	4.3	3.6
2027	149,981	416	160	53.4	297	\$5.7	\$16.5	\$77,823	2.4	782.9	4.4	3.6
2028	150,861	424	161	53.7	302	\$6.0	\$17.2	\$78,865	2.4	791.7	4.6	3.6
2029	151,747	421	162	54.0	299	\$6.2	\$18.0	\$79,861	2.4	797.6	4.7	3.6
2030	152,585	367	162	54.3	287	\$6.4	\$18.7	\$80,772	2.4	788.8	4.9	3.6
2031	153,382	318	163	54.6	276	\$6.6	\$19.5	\$81,641	2.4	780.0	5.1	3.5
2032	154,225	359	164	54.9	276	\$6.9	\$20.3	\$82,512	2.4	800.6	5.3	3.5
2033	155,105	392	165	55.1	275	\$7.1	\$21.1	\$83,455	2.4	818.2	5.4	3.5
2034	156,010	414	165	55.4	272	\$7.4	\$22.0	\$84,414	2.4	833.0	5.6	3.5
2035	156,903	404	166	55.7	266	\$7.6	\$22.9	\$85,364	2.4	835.9	5.8	3.5
2036	157,841	456	167	56.0	267	\$7.9	\$23.9	\$86,370	2.4	859.5	6.0	3.5
2037	158,791	471	168	56.2	264	\$8.2	\$24.9	\$87,355	2.4	871.3	6.2	3.5
2038	159,663	398	168	56.5	252	\$8.4	\$25.9	\$88,267	2.4	853.6	6.4	3.5
2039	160,555	424	169	56.7	250	\$8.7	\$27.0	\$89,333	2.4	868.3	6.6	3.5
2040	161,460	439	170	57.0	247	\$9.0	\$28.2	\$90,351	2.4	880.1	6.9	3.5

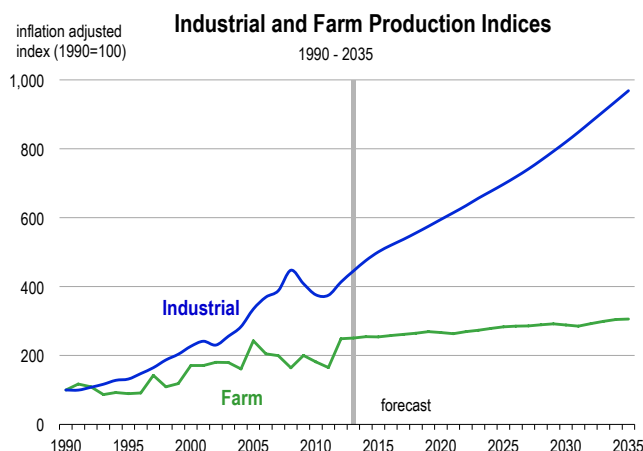
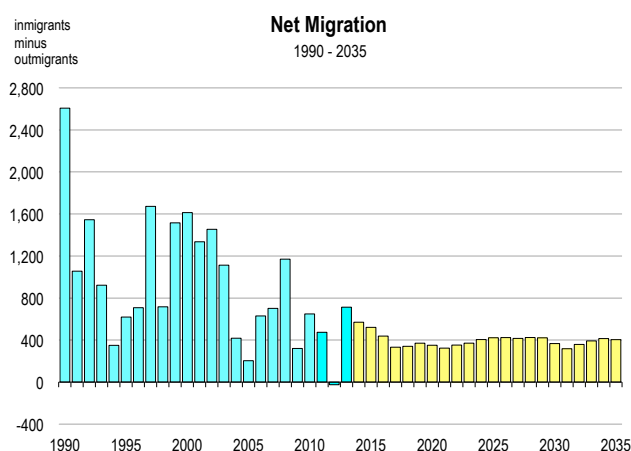
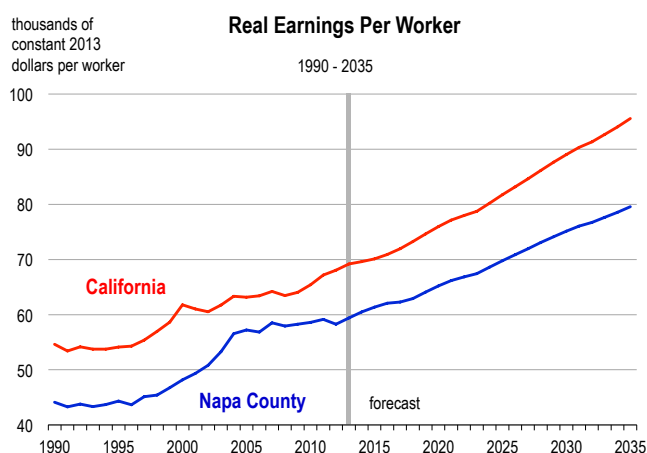
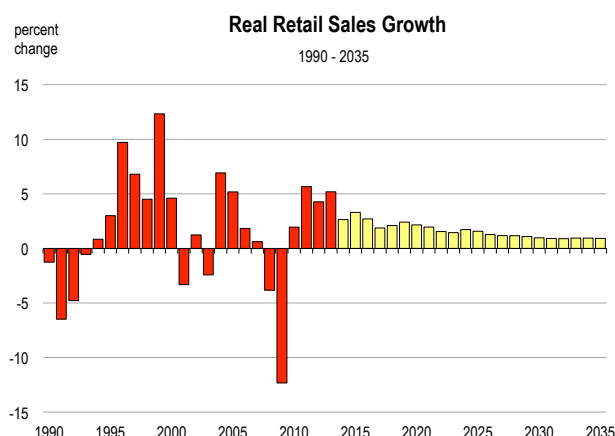


Napa County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	67.8	4.74	5.1	11.6	1.4	7.5	2.8	5.7	0.7	8.0	8.5	10.0
2007	69.4	4.91	4.6	11.7	1.6	7.8	2.6	6.1	0.7	8.4	9.1	10.2
2008	70.2	4.87	4.0	12.0	1.7	7.7	2.6	6.1	0.7	8.6	9.2	10.6
2009	66.3	4.93	3.0	11.0	1.6	7.3	2.4	5.7	0.6	8.5	8.8	10.6
2010	65.2	4.67	2.6	10.7	1.5	7.3	2.3	5.3	0.6	8.7	9.3	10.4
2011	66.0	4.80	2.5	10.9	1.6	7.1	2.2	5.5	0.6	8.8	10.0	10.1
2012	68.4	4.81	2.7	11.2	1.8	7.4	2.3	6.1	0.6	9.1	10.7	9.9
2013	71.6	5.01	3.2	11.7	1.9	7.7	2.2	6.7	0.6	9.6	11.1	10.0
2014	73.5	5.09	3.2	12.0	1.9	7.9	2.2	7.0	0.6	9.9	11.5	10.1
2015	75.1	5.07	3.4	12.3	1.9	8.0	2.2	7.4	0.6	10.1	11.9	10.2
2016	76.5	5.15	3.4	12.5	2.0	8.1	2.3	7.7	0.6	10.2	12.2	10.2
2017	77.6	5.21	3.4	12.6	2.0	8.3	2.3	7.9	0.6	10.3	12.6	10.3
2018	78.5	5.27	3.5	12.7	2.0	8.4	2.3	8.1	0.6	10.4	12.8	10.3
2019	79.3	5.35	3.6	12.8	2.0	8.5	2.3	8.2	0.7	10.5	12.9	10.3
2020	79.8	5.31	3.6	12.8	2.0	8.6	2.3	8.3	0.7	10.6	12.9	10.4
2021	80.2	5.25	3.5	12.8	2.1	8.7	2.3	8.5	0.7	10.7	13.0	10.4
2022	80.8	5.35	3.5	12.9	2.1	8.8	2.3	8.6	0.7	10.8	13.0	10.4
2023	81.5	5.43	3.6	12.9	2.1	8.8	2.3	8.8	0.7	11.0	13.0	10.5
2024	82.1	5.53	3.6	12.9	2.1	8.9	2.4	9.0	0.7	11.1	13.0	10.5
2025	82.8	5.61	3.6	12.9	2.2	9.0	2.4	9.2	0.7	11.2	13.0	10.6
2026	83.3	5.65	3.6	12.9	2.2	9.1	2.4	9.4	0.7	11.3	13.1	10.6
2027	83.9	5.67	3.6	12.9	2.2	9.1	2.4	9.6	0.7	11.5	13.1	10.6
2028	84.5	5.73	3.7	12.9	2.2	9.2	2.5	9.7	0.7	11.6	13.1	10.7
2029	85.0	5.77	3.7	12.9	2.3	9.3	2.5	9.9	0.7	11.8	13.1	10.7
2030	85.4	5.71	3.7	12.9	2.3	9.3	2.5	10.1	0.7	11.9	13.1	10.8
2031	85.8	5.65	3.6	12.9	2.3	9.4	2.5	10.2	0.7	12.0	13.2	10.8
2032	86.5	5.79	3.6	12.9	2.3	9.4	2.5	10.4	0.7	12.2	13.2	10.8
2033	87.1	5.91	3.7	12.9	2.4	9.5	2.6	10.5	0.7	12.3	13.2	10.9
2034	87.6	6.01	3.7	12.9	2.4	9.5	2.6	10.7	0.7	12.5	13.2	10.9
2035	88.1	6.03	3.7	12.8	2.4	9.6	2.6	10.8	0.7	12.6	13.2	11.0
2036	88.7	6.20	3.7	12.8	2.5	9.7	2.6	10.9	0.7	12.7	13.3	11.0
2037	89.2	6.28	3.7	12.8	2.5	9.7	2.7	11.0	0.7	12.9	13.3	11.0
2038	89.4	6.16	3.6	12.7	2.5	9.8	2.7	11.2	0.7	13.0	13.3	11.1
2039	90.0	6.26	3.6	12.7	2.5	9.8	2.7	11.3	0.7	13.1	13.3	11.1
2040	90.4	6.34	3.7	12.7	2.6	9.9	2.7	11.4	0.7	13.2	13.4	11.2





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	13.0%
Expected job growth:	7.9%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	15.5%

Expected population growth:	2.6%
Net migration to account for:	55.1%
Expected growth in number of vehicles:	6.1%

Demographics (2014)

Unemployment rate (April 2014):	5.0%
County rank* in California (58 counties):	4th
Working age (16-64) population:	64.0%

Population with B.A. degree or higher:	32.8%
Median home selling price (2013):	\$425,000
Median household income:	\$64,310

Quality of Life

Violent crime rate (2012):	251 per 100,000 persons
County rank* in California (58 counties):	13th
Average commute time to work (2014):	25.8 minutes

High school drop out rate (2012):	12.5%
Households at/below poverty line (2014):	8.5%

* The county ranked 1st corresponds to the lowest rate in California